

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

HB 1866 - SB 2154

March 9, 2014

SUMMARY OF BILL: Establishes the Tennessee Arsonist Registry. Requires arsonists to register or report with their designated law enforcement agency when they establish or change their primary residence in Tennessee, including out-of-state arsonists that move into Tennessee. Offenders must report every year around the time of their date of birth to update their fingerprints, palm prints, and photograph. The offender must also pay administrative costs up to \$150. The designated law enforcement agency must send the necessary information to the Tennessee Bureau of Investigation (TBI), which is charged with maintaining a centralized record system of arson offender registration and verification information. The information in the registry is not public record, but only available to law enforcement officials.

Creates a new Class E felony for failing to register, failing to sign the registration form, failing to timely report a change in required information, failure to pay the administrative cost, failure to report after re-incarceration, and other similar actions.

Creates a new perjury Class E felony for committing perjury on an arson offender TBI registration form.

ESTIMATED FISCAL IMPACT:

Increase State Revenue – \$1,300/Recurring

Increase State Expenditures – \$34,900/Incarceration*
\$61,700/Recurring
\$56,900/One-Time

Increase Local Revenue – \$2,600/Recurring

Assumptions:

- According to statistics from the Department of Correction (DOC), there has been an average of 52.4 admissions per year for arson, aggravated arson, and any attempt of such offenses over the past 10 years.
- Under the proposed legislation, arson offenders must pay an administrative cost to their designated law enforcement agencies, up to \$150, each year. It is assumed that each agency will charge the maximum \$150 fee. The agency retains \$100 of the fee and the remaining \$50 is sent to the Tennessee Bureau of Investigation (TBI).

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- It is assumed that fifty percent of arson offenders (26.2 offenders) will not be able to pay the administrative cost, based on indigency. The remaining 26.2 offenders will pay the \$150 fee.
- The proposed legislation will result in an increase of local revenue of \$2,620 ($\100×26.2) and an increase in state revenue of \$1,310 ($\50×26.2).
- According to the TBI, it will cost \$52,000 to develop a web-based software package capable of allowing local agencies to electronically submit and query a statewide database of arson offenders.
- The bureau will need to hire an intelligence analyst to oversee the registry. The analyst will require one-time expenditures of \$4,900 and recurring expenditures of \$8,600 (\$200 printing + \$700 communication + \$2,700 supplies + \$5,000 professional services).
- The intelligence analyst will require recurring expenditures totaling \$61,708.40 [\$38,400 salary + ($\$38,400 \times .1503$) benefits + ($\$38,400 \times .0765$) FICA + \$5,999.28 insurance + \$8,600 other].
- The proposed legislation creates two new Class E felonies.
- It is assumed that the proposed legislation will result in one additional perjury admission every 10 years.
- According to the DOC, the average operating cost per offender per day for calendar year 2014 is \$66.29.
- Perjury is a Class E felony. The average time served for a Class E felony is 1.31 years.
- According to the U.S. Census Bureau, population growth in Tennessee has been 1.12 percent per year for the past 10 years, yielding a projected compound population growth of 11.78 percent over the next 10 years. Population growth will not affect the fiscal impact of this legislation.
- A recidivism discount of 42.52 percent applies, but due to the low number of admissions added by this legislation, the recidivism discount does not impact the incarceration cost for the proposed legislation.
- The maximum cost in the tenth year, as required by Tenn. Code Ann. § 9-4-210, is based on one offender every 10 years serving 1.31 years (478.48 days) for a total of \$3,171.84 [$(\$66.29 \times 478.48 \text{ days}) / 10$].
- It is assumed that the proposed legislation will result in one admission every year for failing to comply with the requirements of the arson registry. Failing to comply with the requirements of the arson registry is a Class E felony.
- The average time served for a Class E felony is 1.31 years.
- According to the U.S. Census Bureau, population growth in Tennessee has been 1.12 percent per year for the past 10 years, yielding a projected compound population growth of 11.78 percent over the next 10 years. Population growth will not affect the fiscal impact of this legislation.
- A recidivism discount of 42.52 percent applies, but due to the low number of admissions added by this legislation, the recidivism discount does not impact the incarceration cost for the proposed legislation.
- The maximum cost in the tenth year, as required by Tenn. Code Ann. § 9-4-210, is based on one offender every 10 years serving 1.31 years (478.48 days) for a total of \$31,718.44 ($\$66.29 \times 478.48 \text{ days}$).

- Total increase in incarceration costs is estimated to be \$34,890.28 (\$3,171.84 + \$31,718.44).
- The proposed legislation sets out a mandatory fine for first, second, and third or subsequent violations of the arson registry requirements.
- Based on the Fiscal Review Committee's 2008 study of incarceration costs and fines, collection of fines for felony offenses is negligible. There will not be a significant increase in revenue as a result of the mandatory minimum fines for these offenses.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "Lucian D. Geise". The signature is fluid and cursive, with the first name "Lucian" written in a larger, more prominent script than the last name "Geise".

Lucian D. Geise, Executive Director

/trm